

# 40 Port Authority signs deal with Stimson

## Months of negotiations lead to acquisition of mill site by county agency

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Western News Reporter

Lincoln County's port authority board signed paperwork Monday to take ownership of the Stimson mill property.

The board voted unanimously to accept the property after reviewing documents hammered out during negotiations between Stimson and the port authority's Dan Larson and Amy Guth.

A primary concern for the port authority was the possibility of taking on liability for unknown environmental hazards at the site. A Seattle attorney

specializing in environmental law was retained to ensure the port authority met "due diligence" standards in investigating the site before taking ownership. If environmental problems are discovered in the future, the port authority will be protected if it is determined that due diligence was exercised.

As a result of its negotiations with Stimson, the port authority succeeded in including the site's electrical transmission line and rail line in the transfer.

The port authority will lease office space and the finger-joint plant to

Stimson at \$1 per year. The office will be leased for a three-year term – reduced from the five years proposed by Stimson – and the finger-jointer will be leased indefinitely as long as Stimson continues to operate the plant. The company had initially proposed a 30-year lease regardless of whether or not the plant remained in operation.

Under the terms of the agreement, Stimson will purchase tenant's insurance and will also provide insurance for the buildings on the site for one year, giving the port authority time to secure funding

before taking on the insurance burden.

Stimson will receive a tax break as a result of donating the property to the port authority.

"They've been pushing hard to make this happen by Dec. 31 for tax purposes," said port authority chairman Jim Mayo.

The port authority will receive all of its Stimson's land west of Libby Creek except for a small parcel where the Heritage Museum is located. Also

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included in the proposal is a wood dump site on the east side of the creek. Stimson's property along U.S. Highway 2 is included.

A 78-acre agricultural parcel, the clay banks and 141 acres of

timbered land east of the creek are excluded from the deal.

The port authority is requesting a \$96,000 loan from the city's economic development fund to maintain the property for one year. The Libby Area

Development Company board, which reviews funding requests and makes recommendations to the city council, will formally receive the port authority's request at a meeting scheduled for Jan. 7.

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